

and (ii) make all such filings and recordings in public offices as the Majority Banks shall determine to be desirable in order to perfect the Liens in favor of the Agent on the properties of such Restricted Subsidiary created under the Security Agreement as contemplated by clause (ii) above to be effected.

ARTICLE X

Defaults

Section 10.01 Events of Default. If any one of the following "Events of Default" shall occur and be continuing namely:

(a) Any representation or warranty in Article VIII hereof, in any Security Document, or in any certificate, statement or other document furnished to the Banks or the Agent under this Agreement or any Security Document (including, without limitation, any amendment to any of the foregoing), or any certification made or deemed to have been made by the Company to any Bank hereunder, shall prove to have been incorrect, or shall be breached, in any material respect; or

(b) Default when due of any principal on any Note or any Reimbursement Obligation and, in the case of any of the Issuing Bank Letters of Credit, the failure to pay such Reimbursement Obligation on or before the day the Banks are to reimburse the Issuing Bank under Section 2.03(a)(viii) hereof, or default when due of interest on any Note or any other amount payable to any Bank or the Agent hereunder or under the Security Agreement and the failure to pay such interest or such other amount by 11:00 a.m. on the second next following Business Day; or

(c) Default by the Company or any of the Restricted Subsidiaries in the performance or observance of any of its agreements in Article IX hereof (other than Sections 9.01, 9.02, 9.03, 9.04, 9.05, 9.06, 9.07 and 9.16 hereof but including Section 9.01(g) hereof) or default by any of the Securing Parties in the performance or observance of any of its agreements in the Security Agreement; or

(d) Default by the Company or any of the Restricted Subsidiaries in the performance or observance of any of its other agreements herein which shall remain unremedied for 30 days after notice thereof shall have been given to the Company by any Bank (provided that such period

U.S. \$310,000,000
REVOLVING CREDIT AND TERM LOAN AGREEMENT

Dated as of January 4, 1988

between

ADAMS-RUSSELL ACQUISITION CO., INC.
as Borrower

and

GENERAL ELECTRIC CAPITAL CORPORATION
as Lender

11

AMENDMENT NO. 3 TO REVOLVING CREDIT AND
TERM LOAN AGREEMENT AND AMENDMENT TO
NON-RECOURSE GUARANTY AND PLEDGE AGREEMENT

Amendment No. 3 (this "Amendment") dated as of May 11, 1992 by and among A-R CABLE SERVICES, INC. (formerly, Adams-Russell Co., Inc.), a Massachusetts corporation ("Borrower"), CABLEVISION SYSTEMS CORPORATION, a Delaware corporation ("Cablevision"), and GENERAL ELECTRIC CAPITAL CORPORATION, a New York corporation ("Lender").

W I T N E S S E T H:

WHEREAS, Borrower and Lender are parties to a Revolving Credit and Term Loan Agreement, dated as of January 4, 1988, as heretofore amended by (i) Amendment No. 1 thereto dated as of March 31, 1989, (ii) that certain letter agreement dated December 27, 1990 between Borrower and Lender, and (iii) Amendment No. 2 thereto dated as of December 19, 1991 (as so amended, the "Loan Agreement"; the terms defined therein being used herein as therein defined unless otherwise defined herein); and

WHEREAS, pursuant to its Offer to Purchase and Consent Solicitation dated February 12, 1992, as heretofore amended and as supplemented by the Supplement thereto dated March 30, 1992 (as so amended and supplemented and as it may further be amended, supplemented or otherwise modified with the consent of Lender, the "Offer"), Borrower has offered to purchase up to \$245,279,700 in aggregate principal amount of its Senior Subordinated Notes (representing 90% of the aggregate outstanding principal amount of the Senior Subordinated Notes); and

WHEREAS, Borrower, Cablevision and Warburg, Pincus Investors, L.P., a Delaware limited partnership ("Warburg"), have entered into a Letter Agreement dated February 12, 1992, as heretofore amended with the consent of Lender (as so amended and as it may further be amended, supplemented or otherwise modified with the consent of Lender, the "Warburg Letter"), pursuant to which, subject to the conditions set forth therein, Warburg shall acquire 10,500 shares of Series A Preferred Stock (as defined in Section 1(a) hereof), to be issued by Borrower for an aggregate purchase price of \$105,000,000 and Cablevision shall acquire 4,500 shares of the Series B Preferred Stock (as defined in Section 1(a)

extendable at the option of Borrower or any such Subsidiary, as the case may be, under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of more than one year from the date of creation thereof, including current maturities of long-term debt and revolving credit and short-term debt extendable beyond one year at the option of Borrower or such Subsidiary, as the case may be, including the Revolving Credit Loan.

'Leverage Ratio' shall mean, at any date of determination thereof, the ratio of Consolidated Total Funded Debt as of such date to four (4) times the Consolidated Cash Flow for the three month-period immediately preceding such date.

'Offer' shall have the meaning assigned to it in the recitals to Amendment No. 3.

'Ordinary Funding Advance' shall have the meaning assigned to it in Section 2.1(a)(i) of this Agreement.

'Series A Preferred Stock' shall mean the Series A Participating Preferred Stock of Borrower, par value \$.01 per share, having the terms, limitations and preferences substantially as set forth in Exhibit B hereto.

'Series B Preferred Stock' shall mean the Series B Participating Preferred Stock of Borrower, par value \$.01 per share, having the terms, limitations and preferences substantially as set forth in Exhibit B hereto.

'Special Funding Advance' shall have the meaning assigned to it in Section 2.1(a)(i) of this Agreement.

'Warburg' shall have the meaning assigned to it in the recitals to Amendment No. 3.

'Warburg Letter' shall have the meaning assigned to it in the recitals to Amendment No. 3.

'Warburg Non-Recourse Guaranty and Pledge Agreement' shall mean the Agreement made in favor of Lender by Warburg substantially in the form of Exhibit

Subsidiaries (nor any Federal Group Member for the 1988 Taxable Year) has agreed or has been requested to make any adjustment under IRC Section 481(a) by reason of a change in accounting method or otherwise.

(g) Section 6.3 of the Loan Agreement is amended in its entirety to read as follows:

"6.3. Financial Covenants. Borrower and its Subsidiaries shall, on a consolidated basis, maintain at all times during each of the periods set forth below (such maintenance to be calculated as at the end of each fiscal quarter of Borrower) a Leverage Ratio equal to or less than the ratio set forth below opposite such period:

<u>Period</u>	<u>Leverage Ratio</u>
Effective Date through June 30, 1992	8.3 to 1
July 1, 1992 through September 30, 1992	8.2 to 1
October 1, 1992 through September 30, 1993	8.0 to 1
October 1, 1993 through September 30, 1994	7.7 to 1
October 1, 1994 through September 30, 1995	7.2 to 1
October 1, 1995 through September 30, 1996	6.6 to 1
October 1, 1996 and thereafter."	6.0 to 1

(h) A new Section 6.14 is added to read in its entirety as follows:

"Section 6.14. Warburg Letter. Borrower shall provide Lender with copies of all material notices given or other communications made or received by Borrower in connection with the Warburg Letter, concurrently with the furnishing thereof by Borrower or

EXHIBIT 4

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

X

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
 SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]
 For the fiscal year ended December 31, 1992

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
 THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
 For the transition period from _____ to _____.

Commission File Number: 1-9046

Cablevision Systems Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
 incorporation or organization)

11-2776686

(I.R.S. Employer
 Identification No.)

One Media Crossways, Woodbury, New York

(Address of principal executive offices)

11797

(Zip Code)

Registrant's telephone number, including area code: (516) 364-8450

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:

Class A Common Stock

Name of each exchange

on which registered:

American Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No _____

Indicate by a check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

X

Aggregate market value of voting stock held by nonaffiliates of the registrant based on the closing price at which such stock was sold on the American Stock Exchange on March 2, 1993: \$405,421,564

Number of shares of common stock outstanding as of March 1, 1993:

Class A Common Stock - 10,311,166

Class B Common Stock - 12,423,532

Documents incorporated by reference - The Company intends to file with the Securities and Exchange Commission, not later than 120 days after the close of its fiscal year, a definitive proxy statement or an amendment on Form 8 to this report containing the information required to be disclosed under Part III of Form 10-K.

Programming.

Adequate programming is available to the Company from a variety of sources. Program suppliers' compensation is typically a fixed per subscriber monthly fee based, in most cases, either on the number of total subscribers of the cable systems of the Company and certain of its affiliates, or on the number of subscribers subscribing to the particular service. The Company's programming contracts are generally for a fixed period of time and are subject to negotiated renewal. The Company's cable programming costs have increased in recent years and are expected to continue to increase due to additional programming being provided to most subscribers, increased costs to produce or purchase cable programming and other factors. Management believes that the Company will continue to have access to programming services at reasonable price levels.

Franchises.

The Company's cable television systems are operated primarily under nonexclusive franchise agreements with local governmental franchising authorities, in some cases with the approval of state cable television authorities. Franchising authorities generally charge a fee of up to 5% based on a percentage of certain revenues of the franchisee. In 1992 franchise fee payments made by the Company aggregated approximately 3.7% of total revenues.

The Company's franchise agreements are generally for a term of ten to fifteen years from the date of grant, although recently renewals have often been for five to ten year terms. Some of the franchises grant the Company an option to renew. Except for the Company's franchises for the Town of Huntington, New York, described below, and the Town of Brookhaven, New York which expired in 1991, the expiration dates for the Company's ten largest franchises range from 1995 to 1998. In certain cases, including the Town of Brookhaven and the Town of Huntington, the Company is operating under temporary licenses while negotiating renewal terms with the franchising authorities. Franchises usually require the consent of the franchising authority prior to the sale, assignment, transfer or change in ownership or operating control of the franchisee.

The Cable Communications Policy Act of 1984 (the "1984 Cable Act") and the Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act") provide significant procedural protections for cable operators seeking renewal of their franchises. See "Business - Cable Television Operations - Regulation". In connection with a renewal, a franchising authority may impose different and more stringent terms. The Company has never lost a franchise as a result of a failure to obtain a renewal.

The Company is in negotiations with the Town of Huntington, New York ("Huntington") with respect to the renewal of its franchise agreement which expired in December, 1991. The Company's Huntington franchise served 49,818 basic subscribers as of December 31, 1992. Two nonbinding referenda questions relating to the renewal were presented to voters in Huntington in November, 1991. The questions were whether the Company's franchise in Huntington should be revoked and whether there should be competition in the provision of cable

Item 6. Selected Financial Data

SELECTED FINANCIAL AND STATISTICAL DATA

The operating and balance sheet data included in the following selected financial data have been derived from the consolidated financial statements of the Company. Acquisitions made by the Company were accounted for under the purchase method of accounting and, accordingly, the acquisition costs were allocated to the net assets acquired based on their fair value, except for assets owned by Mr. Dolan or affiliates of Mr. Dolan which were recorded at historical cost. Acquisitions are reflected in operating, balance sheet and statistical data from the time of acquisition. The operating data for 1992 reflects the deconsolidation of the Company's A-R Cable subsidiary for reporting purposes, effective January 1, 1992. In addition, operating data for 1989 reflects the deconsolidation of the Company's programming interests effective January 1, 1989 due to the sale of 50% of such interests to NBC on April 20, 1989. The selected financial data presented below should be read in conjunction with the financial statements of the Company and notes thereto included in Item 8 of this Report.

Cablevision Systems Corporation

December 31,

	1992	1991	1990	1989	1988
	(Dollars in thousands, except per share data)				
Operating Data:					
Net revenues.....	\$ 572,487	\$603,272	\$562,989	\$492,688	\$ 493,462
Operating expenses					
Technical.....	204,449	213,059	202,850	181,513	237,917
Selling, general and administrative.....	120,356	121,527	118,825	105,940	115,458
Depreciation and amortization.....	168,538	215,326	216,288	191,310	151,632
Copyright compliance cost.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,114</u>
Operating profit (loss).....	79,144	53,360	25,026	13,925	(24,659)
Other income (expense):					
Interest expense, net.....	(193,379)	(257,189)	(261,114)	(226,467)	(138,451)
Share of affiliates' net income (loss).....	(47,278)	(23,780)	(39,980)	(34,019)	716
Gain on sale of programming interests, net.....	7,053	15,505	-	102,212	-
Gain on sale of securities, net.....	733	5,806	-	4,502	-
Provision for loss on Olympic venture.....	(50,000)	-	-	-	-
Loss on sale of preferred stock.....	(20,000)	-	-	-	-
Write off of deferred financing costs.....	(12,284)	-	-	-	-
Settlement of litigation and related matters.....	(5,655)	(9,677)	-	-	-
Provision for preferential payment to related party....	(2,662)	-	-	-	-
Transaction fees.....	-	-	14,759	(13,029)	(1,730)
Miscellaneous, net.....	<u>(6,175)</u>	<u>(11,224)</u>	<u>(10,066)</u>	<u>(746)</u>	<u>4,765</u>
Net loss.....	(250,503)	(227,199)	(271,375)	(153,622)	(159,359)
Preferred dividend requirement..	<u>(885)</u>	<u>(4,464)</u>	<u>(4,065)</u>	<u>(3,710)</u>	<u>(3,395)</u>
Net loss applicable					
to common shareholders.....	<u>\$(251,388)</u>	<u>\$(231,663)</u>	<u>\$(275,440)</u>	<u>\$(157,332)</u>	<u>\$(162,754)</u>
Net loss per common share.....	<u>\$ (11.17)</u>	<u>\$ (10.32)</u>	<u>\$ (12.36)</u>	<u>\$ (7.12)</u>	<u>\$ (7.44)</u>
Average number of common shares outstanding (in thousands)....	<u>22,512</u>	<u>22,446</u>	<u>22,290</u>	<u>22,082</u>	<u>21,890</u>
Cash dividends declared per common share.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Cablevision Systems Corporation

December 31,

	1992	1991	1990	1989	1988
	(Dollars in thousands)				
Balance Sheet Data:					
Total assets.....	\$ 1,251,157	\$1,475,672	\$1,641,612	\$1,756,271	\$1,170,858
Total debt.....	\$ 2,004,452	\$2,211,056	\$2,170,275	\$2,015,642	\$1,271,362
Deficit investment in affiliate...	\$ 251,679	-	-	-	-
Minority interest.....	\$ 3,000	-	-	-	-
Cumulative Redeemable Preferred					
Stock.....	-	\$ 32,094	\$ 28,515	\$ 25,335	\$ 22,510
Stockholders' deficiency.....	\$(1,250,248)	\$(932,428)	\$(702,448)	\$(427,876)	\$(273,579)
Statistical Data:					
Homes passed by cable.....	2,019,000	2,005,000	1,976,000	1,946,000	1,518,000
Basic service subscribers.....	1,262,000	1,372,000	1,326,000	1,274,000	959,000
Basic service subscribers					
as a percentage of homes					
passed.....	62.5%	68.4%	67.1%	65.5%	63.2%
Number of premium television					
units.....	2,802,000	2,326,000	2,401,000	2,397,000	1,923,000
Average number of premium					
units per basic subscriber					
at period end.....	2.2	1.7	1.8	1.9	2.0
Average monthly revenue per					
basic subscriber (1).....	\$37.64	\$34.43	\$34.09	\$33.12	\$33.49

(1) Based on recurring service revenues divided by average subscribers for the month of December.

Item 8. Consolidated Financial Statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Cablevision Systems Corporation

We have audited the accompanying consolidated balance sheets of Cablevision Systems Corporation and subsidiaries as of December 31, 1992 and 1991, and the related consolidated statements of operations, stockholders' deficiency and cash flows for each of the years in the three-year period ended December 31, 1992. In connection with our audits of the consolidated financial statements, we also audited the financial statement schedules as listed in Item 14(a)(2). These consolidated financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cablevision Systems Corporation and subsidiaries at December 31, 1992 and 1991, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1992 in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedules referred to above, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

KPMG Peat Marwick

Jericho, New York
March 5, 1993

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 1992 and 1991
(Dollars in thousands)

ASSETS	<u>1992</u>	<u>1991</u>
Cash and cash equivalents.....	\$ 2,721	\$ 2,639
Marketable securities.....	752	3,615
Accounts receivable trade (less allowance for doubtful accounts of \$3,232 and \$2,259).....	42,288	34,727
Notes receivable affiliates.....	3,670	4,392
Notes and other receivables.....	9,483	6,362
Prepaid expenses.....	7,161	6,551
Property, plant and equipment, net.....	529,151	508,558
Investments in affiliates.....	32,960	48,129
Advances to affiliates.....	41,432	40,239
Other investments, at cost.....	2,173	2,040
Subscriber lists, net of accumulated amortization of \$165,523 and \$156,000.	56,786	106,437
Franchises, net of accumulated amortization of \$129,362 and \$187,793.	124,594	224,695
Excess costs over fair value of net assets acquired and other intangible assets, net of accumulated amortization of \$154,118 and \$162,093.....	284,494	449,111
Deferred financing, acquisition and other costs, net of accumulated amortization of \$15,059 and \$14,243...	43,254	38,177
Deferred interest expense.....	<u>70,238</u>	<u>-</u>
	<u>\$1,251,157</u>	<u>\$1,475,672</u>

See accompanying notes to
consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 1992 and 1991
(Dollars in thousands)

	<u>1992</u>	<u>1991</u>
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Accounts payable.....	\$ 72,947	\$ 48,377
Accrued liabilities:		
Interest.....	20,020	27,473
Payroll and related benefits.....	19,273	21,967
Franchise fees.....	20,413	13,794
Litigation settlement and related matters.....	4,227	9,677
Other.....	40,609	35,368
Accrued obligation, Olympics venture...	50,000	-
Accounts payable to affiliates.....	14,785	8,294
Bank debt.....	656,272	800,703
Senior debt.....	798,792	687,450
Senior subordinated debentures.....	474,247	199,173
Subordinated notes payable.....	-	515,449
Obligation to related party.....	67,000	-
Capital lease obligations and other debt.	8,141	8,281
Minority interest.....	<u>3,000</u>	<u>-</u>
Total liabilities.....	<u>2,249,726</u>	<u>2,376,006</u>
Deficit investment in affiliate.....	<u>251,679</u>	<u>-</u>
1987 Cumulative Preferred Stock.....	<u>-</u>	<u>32,094</u>
Commitments and contingencies		
Stockholders' deficiency:		
8% Series C Cumulative Preferred Stock, \$.01 par value, 112,500 shares authorized, 110,622 shares issued (\$100 per share liquidation preference).....	1	1
8% Series D Cumulative Preferred Stock, \$.01 par value, 112,500 shares authorized, none issued (\$100 per share liquidation preference).....	-	-
Class A Common Stock, \$.01 par value, 50,000,000 shares authorized, 10,192,606 and 9,757,279 shares issued.....	102	98
Class B Common Stock, \$.01 par value, 20,000,000 shares authorized, 12,423,532 and 12,713,532 shares issued.....	124	127
Par value in excess of capital contributed.....	(78,157)	(11,724)
Accumulated deficit.....	<u>(1,172,318)</u>	<u>(920,930)</u>
Total stockholders' deficiency.....	<u>(1,250,248)</u>	<u>(932,428)</u>
	<u>\$ 1,251,157</u>	<u>\$1,475,672</u>

See accompanying notes
to consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 1992, 1991 AND 1990
(Dollars in thousands except per share data)

	<u>1992</u>	<u>1991</u>	<u>1990</u>
Gross revenues (including affiliate amounts of \$6,441, \$5,448 and \$4,866).....	\$578,141	\$ 608,985	\$ 567,217
Less bad debts and subscriber credits.....	<u>5,654</u>	<u>5,713</u>	<u>4,228</u>
Net revenues.....	<u>572,487</u>	<u>603,272</u>	<u>562,989</u>
Operating expenses:			
Technical (including affiliate amounts of \$23,388, \$27,400 and \$27,560).....	204,449	213,059	202,850
Selling, general and administrative (including affiliate amounts of \$(2,332), \$(4,166) and \$(2,847))..	120,356	121,527	118,825
Depreciation and amortization.....	<u>168,538</u>	<u>215,326</u>	<u>216,288</u>
	<u>493,343</u>	<u>549,912</u>	<u>537,963</u>
Operating profit.....	<u>79,144</u>	<u>53,360</u>	<u>25,026</u>
Other income (expense):			
Interest expense.....	(194,628)	(258,794)	(263,564)
Interest income (including affiliate amounts of \$822, \$1,161 and \$1,468).....	1,249	1,605	2,450
Share of affiliates' net loss.....	(47,278)	(23,780)	(39,980)
Gain on sale of programming interests, net.....	7,053	15,505	-
Gain on sale of marketable securities, net.....	733	5,806	-
Provision for loss on Olympics venture.....	(50,000)	-	-
Loss on sale of preferred stock.....	(20,000)	-	-
Write off of deferred financing costs.....	(12,284)	-	-
Settlement of litigation and related matters.....	(5,655)	(9,677)	-
Provision for preferential payment to related party.....	(2,662)	-	-
Transaction fees.....	-	-	14,759
Miscellaneous, net.....	<u>(6,175)</u>	<u>(11,224)</u>	<u>(10,066)</u>
	<u>(329,647)</u>	<u>(280,559)</u>	<u>(296,401)</u>
Net loss.....	(250,503)	(227,199)	(271,375)
Dividend requirement applicable to Preferred Stock.....	<u>(885)</u>	<u>(4,464)</u>	<u>(4,065)</u>
Net loss applicable to common shareholders.....	<u>\$(251,388)</u>	<u>\$(231,663)</u>	<u>\$(275,440)</u>
Net loss per common share.....	<u>\$ (11.17)</u>	<u>\$ (10.32)</u>	<u>\$ (12.36)</u>
Average number of common shares outstanding (in thousands).....	<u>22,512</u>	<u>22,446</u>	<u>22,290</u>

See accompanying notes
to consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
Years Ended December 31, 1992, 1991 and 1990
(Dollars in thousands)

	Series C Preferred Stock	Class A Common Stock	Class B Common Stock	Par Value in Excess of Capital Contributed	Accumulated Deficit	Total
Balance December 31, 1989.....	\$ 1	\$ 89	\$133	\$(14,272)	\$(413,827)	\$(427,876)
Net loss - year ended						
December 31, 1990.....	-	-	-	-	(271,375)	(271,375)
Employee stock transactions.....	-	2	-	866	-	868
Preferred dividend requirement... <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,065)</u>	<u>(4,065)</u>
Balance December 31, 1990.....	1	91	133	(13,406)	(689,267)	(702,448)
Net loss - year ended						
December 31, 1991.....	-	-	-	-	(227,199)	(227,199)
Employee stock transactions.....	-	7	(6)	1,682	-	1,683
Preferred dividend requirement... <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,464)</u>	<u>(4,464)</u>
Balance December 31, 1991.....	1	98	127	(11,724)	(920,930)	(932,428)
Net loss - year ended						
December 31, 1992.....	-	-	-	-	(250,503)	(250,503)
Cost of acquisition.....	-	-	-	(71,333)	-	(71,333)
Employee stock transactions.....	-	4	(3)	4,900	-	4,901
Preferred dividend requirement... <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(885)</u>	<u>(885)</u>
Balance December 31, 1992.....	<u>\$ 1</u>	<u>\$102</u>	<u>\$124</u>	<u>\$(78,157)</u>	<u>\$(1,172,318)</u>	<u>\$(1,250,248)</u>

See accompanying notes
to consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1992, 1991 and 1990
(Dollars in thousands)

	<u>1992</u>	<u>1991</u>	<u>1990</u>
Cash flows from operating activities:			
Net loss.....	\$(250,503)	\$(227,199)	\$(271,375)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization.....	168,538	215,326	216,288
Share of affiliates' net loss.....	47,278	23,780	39,980
Gain on sale of programming interests, net.....	(7,053)	(15,505)	-
Gain on sale of marketable securities, net.....	(733)	(5,806)	-
Write off of deferred financing costs.....	12,284	-	-
Loss (gain) on sale of equipment, net.....	1,185	713	(251)
Amortization of deferred financing.....	4,134	4,550	4,092
Amortization of debenture discount.....	74	75	73
Amortization of original issue discount on subordinated notes payable.....	47,203	73,988	63,295
Change in assets and liabilities, net of effects of acquisitions:			
Increase in accounts receivable trade.....	(8,351)	(690)	(7,674)
Decrease in notes receivable affiliates.....	722	1,998	1,832
Increase in notes and other receivables.....	(3,944)	(1,231)	(2,921)
(Increase) decrease in prepaid expenses.....	138	(2,397)	10,251
Increase in advances to affiliates.....	(221)	(1,159)	(3,687)
Increase in accounts payable.....	28,513	493	12,159
Increase (decrease) in accrued liabilities.....	(6,093)	20,528	(11,263)
Increase in accrued obligation, Olympics venture.....	50,000	-	-
Increase (decrease) in accounts payable to affiliates..	1,017	(1,341)	775
Total adjustments.....	334,691	313,322	322,949
Net cash provided by operating activities.....	84,188	86,123	51,574
Cash flows from investing activities:			
Capital expenditures.....	(108,802)	(71,405)	(92,785)
Payments for acquisitions, net of cash acquired.....	(67,292)	-	(2,653)
Proceeds from sale of programming interests.....	8,254	22,907	-
Proceeds from sale of securities.....	4,096	17,443	-
Proceeds from sale of equipment.....	3,576	260	8,058
Increase in investments in affiliates.....	(66,123)	(15,240)	(42,132)
Increase in marketable securities and other investments.....	(633)	(697)	(1,758)
Additions to intangible assets, net.....	-	(252)	(493)
Net cash used in investing activities.....	(226,924)	(46,984)	(131,763)

See accompanying notes
to consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1992, 1991 and 1990
(Dollars in thousands)
(continued)

	<u>1992</u>	<u>1991</u>	<u>1990</u>
Cash flows from financing activities:			
Proceeds from bank debt.....	\$ 185,301	\$ 60,196	\$ 103,700
Repayment of bank debt.....	(393,632)	(80,193)	(26,250)
Proceeds from senior debt.....	46,236	57,050	69,450
Repayment of senior debt.....	(16,950)	(65,550)	(58,500)
Issuance of senior subordinated debentures.....	275,000	-	-
Preferred stock dividends.....	(885)	(885)	(885)
Issuance of common stock.....	4,901	1,683	868
Obligation to related party.....	67,000	-	-
Payments on capital lease obligations and other debt.....	(4,920)	(5,545)	(2,439)
Addition of minority interest.....	3,000	-	-
Additions to deferred financing and other.....	<u>(22,233)</u>	<u>(8,258)</u>	<u>(5,804)</u>
Net cash provided by (used in) financing activities.....	<u>142,818</u>	<u>(41,502)</u>	<u>80,140</u>
Net increase (decrease) in cash and cash equivalents.....	82	(2,363)	(49)
Cash and cash equivalents at beginning of year.....	<u>2,639</u>	<u>5,002</u>	<u>5,051</u>
Cash and cash equivalents at end of year.....	<u>\$ 2,721</u>	<u>\$ 2,639</u>	<u>\$ 5,002</u>

See accompanying notes
to consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Cablevision Systems Corporation and its majority owned subsidiaries (the "Company"). All significant intercompany transactions and balances have been eliminated in consolidation.

Revenue Recognition

The Company recognizes revenues as cable television services are provided to subscribers.

Marketable Securities

Marketable securities are recorded at cost. At December 31, 1992 and 1991, the market value of such securities exceeded their cost by approximately \$3,881 and \$1,700, respectively.

Property, Plant and Equipment

Property, plant and equipment, including construction materials, are carried at cost, which includes all direct costs and certain indirect costs associated with the construction of cable television transmission and distribution systems, and the costs of new subscriber installations.

Deferred Financing Costs

Costs incurred in obtaining debt are deferred and amortized, on a straight-line basis, over the life of the related debt.

Subscriber Lists, Franchises, and Other Intangible Assets

Subscriber lists are amortized on a straight-line basis over varying periods (2 to 8 years) during which subscribers are expected to remain connected to the systems. Franchises are amortized on a straight-line basis over the average remaining terms (7 to 11 years) of the franchises. Other intangible assets are amortized on a straight-line basis over the periods benefited (2 to 20 years). Excess costs over fair value of net assets acquired are being amortized over periods ranging from 7 to 20 years on a straight line basis.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(continued)

Income Taxes

The Company and its majority-owned subsidiaries file consolidated federal income tax returns. At December 31, 1992 the Company had consolidated net operating loss carryforwards for book purposes and for tax purposes of approximately \$577,000 and \$619,000, respectively, which expire in 2001 to 2007. At the time of incorporation, the carrying amount of certain assets of the Company for income tax purposes was greater by approximately \$52,800 than the amounts recorded for book purposes. To the extent that the Company realizes income tax benefits from depreciation and amortization on assets recorded at a greater amount for income tax purposes, such benefits will be credited to the stockholders' equity of the Company. Included in the amount of tax loss carryforward is approximately \$26,600 of depreciation and amortization relating to such items. The realization of such benefits is dependent upon the Company having future taxable income.

The Financial Accounting Standards Board has issued statement No.109 "Accounting for Income Taxes" which must be implemented in 1993. This Statement changes the method of computing deferred income taxes from the deferred to a liability approach. Management believes that the implementation of this Statement will not have a material adverse effect on the financial position of the Company.

Loss Per Share

Net loss per common share is computed based on the average number of common shares outstanding after giving effect to dividend requirements on the Company's preferred stock. Common stock equivalents were not included in the computation as their effect would be to decrease net loss per share.

Cash Flows

For purposes of the Consolidated Statements of Cash Flows, the Company considers short-term investments with a maturity at date of purchase of three months or less to be cash equivalents. The Company paid cash interest expense of approximately \$142,807, \$179,246 and \$195,298 during 1992, 1991 and 1990, respectively. During 1992, 1991 and 1990, the Company's noncash investing and financing activities included capital lease obligations of \$5,953, \$760 and \$5,304, respectively, incurred when the Company entered into leases for new equipment, preferred stock dividend requirements in 1991 and 1990 of \$3,579 and \$3,180, respectively, and the present value of debt to be assumed by V Cable in 1997 of \$70,238 recorded in 1992 (see Note 4).

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(continued)

Investments in and Advances to Affiliates

The Company accounts for its investments in affiliates using the equity method of accounting whereby the Company records its appropriate share of the net income or loss of the affiliate. The Company's advances to affiliates are carried at cost adjusted for any known diminution in value (see Note 8).

Reclassifications

Certain reclassifications have been made to the 1991 and 1990 consolidated financial statements to conform to the 1992 presentation.

NOTE 2. ACQUISITIONS, RESTRUCTURINGS AND DISPOSITIONS

1992 Restructurings:

V Cable, Inc.

On December 31, 1992, the Company consummated a significant restructuring and reorganization (the "V Cable Reorganization") involving its subsidiary, V Cable, Inc. ("V Cable"), U.S. Cable Television Group, L.P. ("U.S. Cable") and General Electric Capital Corporation ("GECC"), V Cable's principal creditor. In the V Cable Reorganization, V Cable acquired a 20% interest in U.S. Cable for \$20,000 and U.S. Cable acquired a 19% non-voting interest in a newly incorporated subsidiary of V Cable that holds substantially all of V Cable's assets ("VC Holding") for \$3,000. As a result, V Cable now owns an effective 84.8% interest in VC Holding. GECC has provided new long-term credit facilities to each of V Cable, VC Holding and U.S. Cable, secured in each case by the assets of the borrower and in most cases cross-collateralized by the assets of the other two entities. The credit facilities are non-recourse to the Company other than with respect to the common stock of V Cable owned by the Company (see Note 4). The Company has management responsibility for the U.S. Cable properties, and for the V Cable systems. The Company will account for its investment in U.S. Cable using the equity method of accounting.

In contemplation of the V Cable Reorganization, in May, 1992 GECC provided a \$20,000 loan to V Cable, which lent the proceeds to one of its operating subsidiaries. Also in May, 1992, the operating subsidiary of V Cable paid GECC an aggregate of \$20,000 in order to acquire all of the then outstanding shares of A-R Cable Services, Inc. ("A-R Cable") preferred stock from GECC and to obtain the termination of the transaction fee agreements between each of V Cable and A-R Cable, on the one hand, and GECC, on the other, pursuant to which GECC was entitled under certain circumstances to receive payments from V Cable and A-R Cable. On May 11, 1992,

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(continued)

A-R Cable purchased, for a nominal amount, the shares of A-R Cable preferred stock held by the operating subsidiary of V Cable. For the purposes of these consolidated financial statements, the Company recognized a net loss of \$20,000 on the purchase and retirement of the shares of A-R Cable's preferred stock.

In consideration of V Cable's assumption of U.S. Cable debt in 1997 (see Note 4) and the cross-collateralization of U.S. Cable debt by V Cable and VC Holding, V Cable has the option to exchange its interest in U.S. Cable for all of U.S. Cable's interest in VC Holding and thus recover full ownership of the V Cable systems from and after January 1, 1998, subject to certain limitations. Upon such an exchange, the guarantee by V Cable and VC Holding of any portion of the U.S. Cable senior credit facilities not assumed by V Cable, as well as the guarantee and cross-collateralization by U.S. Cable of the V Cable and VC Holding credit facilities, would terminate.

The V Cable Reorganization resulted in significant changes to V Cable's debt levels and maturities. See Note 4.

A-R Cable. In May 1992 the Company and A-R Cable consummated a restructuring and refinancing transaction (the "A-R Cable Restructuring") that had the effect of retiring a substantial portion of A-R Cable's subordinated debt and reducing the Company's economic and voting interest in A-R Cable. Among other things, this transaction involved an additional \$45,000 investment in A-R Cable by the Company to purchase a new Series B Preferred Stock, the purchase of a new Series A Preferred Stock in A-R Cable by Warburg Pincus Investors, L.P. ("Warburg Pincus") for \$105,000, and GECC providing an additional \$70,000 to A-R Cable under a secured revolving credit line. After the receipt of certain pending franchise approvals, the Company will have a 40% economic and voting interest in A-R Cable. As a result of the A-R Cable Restructuring, the Company no longer has financial or voting control over A-R Cable's operations. Accordingly the Company no longer consolidates the financial position or results of operations of A-R Cable. For reporting purposes, the deconsolidation of A-R Cable became effective on January 1, 1992 and the Company is accounting for its investment in A-R Cable using the equity method of accounting.

Included in share of affiliates' net loss in the accompanying consolidated statements of operations for the year ended December 31, 1992 is \$30,326 representing A-R Cable's net loss plus dividend requirements for the Series A Preferred Stock of A-R Cable, which is not owned by the Company. The deficit investment in affiliate of \$251,679 represents A-R Cable losses and external dividend requirements recorded by the Company in excess of amounts invested by the Company therein. At December 31, 1992 and for the year then ended, A-R Cable's total assets, liabilities and net

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(continued)

revenues amounted to \$294,111, \$594,294 and \$105,629, respectively.

The Company continues to guarantee the debt of A-R Cable to GECC under a limited recourse guarantee wherein recourse to the Company is limited solely to the common and Series B Preferred Stock of A-R Cable owned by the Company.

The Company will continue to manage A-R Cable under a management agreement that provides for cost reimbursement, an allocation of overhead charges and a management fee of 3-1/2% of gross receipts, as defined, with interest on unpaid amounts thereon at a rate of 10% per annum. The 3-1/2% fee is payable by A-R Cable only after repayment in full of its senior debt and certain other obligations. Under certain circumstances, the fee is subject to reduction to 2-1/2% of gross receipts.

After May 11, 1997, either Warburg Pincus or the Company may irrevocably cause the sale of A-R Cable, subject to certain conditions. In certain circumstances, Warburg Pincus may cause the sale of A-R Cable prior to that date. Upon the sale of A-R Cable, the net sales proceeds, after repayment of all outstanding indebtedness and other liabilities, will be used as follows: first, to repay Warburg Pincus' original \$105,000 investment in the Series A Preferred Stock; second, to repay the Company's original investment of \$45,000 in the Series B Preferred Stock; third, to repay the accumulated unpaid dividends on the Series A Preferred Stock (19% annual rate); fourth, to repay the accumulated unpaid dividends on the Series B Preferred Stock (12% annual rate); fifth, to pay the Company for all accrued and unpaid management fees together with accrued but unpaid interest thereon; sixth, pro rata 60% to the Series A Preferred Stockholders, 4% to the Series B Preferred Stockholders and 36% to the common stockholder(s).

1992 Acquisition:

In July 1992, the Company acquired (the "CNYC Acquisition") substantially all of the remaining interests in Cablevision of New York City - Phase I through Phase V (collectively, "CNYC" or "Phase Partnerships"), the operator of a cable television system which is under development in The Bronx and parts of Brooklyn, New York. Prior to the CNYC Acquisition, the Company had a 15% interest in CNYC and Charles F. Dolan, the chief executive officer and principal shareholder of the Company, owned the remaining interests. Mr. Dolan remains a partner in CNYC with a 1% interest and the right to certain preferential payments.

Mr. Dolan's preferential rights entitle him to an annual cash payment (the "Annual Payment") of 14% multiplied by the outstanding balance of his "Minimum Payment" (\$2,662 was expensed for 1992). The Minimum Payment is \$40,000 and is to be paid to Mr. Dolan prior

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(continued)

to any distributions to partners other than Mr. Dolan. In addition, Mr. Dolan has the right, exercisable beginning on December 31, 1997 to require the Company to purchase his interest. Mr. Dolan would be entitled to receive from the Company the Minimum Payment, any accrued but unpaid Annual Payments, a guaranteed return on certain of his investments in CNYC and a Preferred Payment defined as a payment (not exceeding \$150,000) equal to 40% of the Appraised Equity Value (as defined) of CNYC after making certain deductions.

The Company has accounted for the purchase of CNYC in a manner similar to a pooling of interests whereby the assets and liabilities of CNYC have been recorded at historical values and the excess of the purchase price over the book value of the net assets acquired, amounting to approximately \$44,000, has been charged to par value in excess of capital contributed. The total assets and liabilities of CNYC at acquisition date amounted to \$109,000 and \$92,000, respectively. The results of operations of CNYC are not material to those of the Company. Based upon estimates for accounting purposes of the Appraised Equity Value of CNYC made by the Company at December 31, 1992, approximately \$27,000 was accrued as an additional obligation to Mr. Dolan relating to the Company's purchase of CNYC, which has also been charged to par value in excess of capital contributed.

Sale of Programming Interests:

In February 1991, Rainbow Programming Holdings, Inc. ("RPH"), a wholly-owned subsidiary of the Company, and certain majority-owned and wholly-owned subsidiaries of RPH (RPH and such subsidiaries are hereinafter referred to as "Rainbow Programming") transferred to NBC Cable Holding Inc. ("NBC Cable"), a subsidiary of the National Broadcasting Company, Inc. ("NBC") a 25% general partnership interest in the American Movie Classics Company ("AMCC") (reducing Rainbow Programming's interest in AMCC to a 25% general partnership interest). In connection with this transfer, Rainbow Programming received \$15,407 and the Company recorded a gain of approximately \$9,966.

In July 1991, Rainbow Programming consummated transactions with NBC, Tele-Communications, Inc. ("TCI") and Liberty Media Corporation ("Liberty"), relating to sports programming offered in the San Francisco Bay area, Florida and Chicago through SportsChannel regional cable sports networks. Viacom Inc. ("Viacom") is also a party to the San Francisco Bay area transaction. The agreements extend the carriage of Rainbow Programming's SportsChannel services on certain TCI and Viacom owned and operated cable systems in those areas. As part of the transactions, TCI acquired a 25% general partnership interest in SportsChannel Chicago (12.5% from each of Rainbow Programming and NBC Cable) plus an option to purchase an additional 25% interest for a total of \$15,000 and Liberty acquired,